

APPLICATION FOR PERMISSION TO CHANGE POINT OF DIVERSION, MANNER
OF USE AND PLACE OF USE OF THE PUBLIC WATERS OF THE STATE OF
NEVADA HERETOFORE APPROPRIATED

Date of filing in State Engineer's Office IAN 10 2005

Returned to applicant for correction _____

Corrected application filed _____

Map filed IAN 10 2005

The applicant **Queenstake Resources USA, Inc.**, hereby make(s) application for permission to change the **point of diversion and place of use of a portion** of water heretofore appropriated under #61394

1. The source of water is **underground (Starvation well)**
2. The amount of water to be changed **0.2 c.f.s.**
3. The water to be used for **mining, milling, dewatering and domestic**
4. The water heretofore permitted for **mining, milling, dewatering and domestic**
5. The water is to be diverted at the following point **within Lot 3 Section 18, T.39N., R.53E., M.D.M. from which the NW section corner of said section 18 bears N. 82° 24' W., 605 feet distant.**
6. The existing permitted point of diversion is located within **NW¼ SE¼, Section 33, T.41N., R.53E., M.D.M., from which the SE corner of said section bears S. 41° 52' E., 3,091 ft. dist.**
7. Proposed place of use **T.39N., R.53E., M.D.M.: Sections 1-24 T.39N., R.54E., M.D.M.: Sections 5-8, 17-20 T.40N., R.53E., M.D.M.: all Sections T.40N., R.54E., M.D.M.: W½ Section 3, all of 4-8, 17-20, 29-32 T.41N., R.53E., M.D.M.: all Sections T.41N., R.54E., M.D.M.: Sections 5-8, 18-20, 29-33, W½ 34 (see map under #62374)**
8. Existing place of use **T.40N., R.53E., M.D.M.: Sections 2, 3, 10, 11, 12 T.40N., R.54E., M.D.M.: Sections 5, 7, 8, 17, 18 T.41N., R.53E., M.D.M.: Sections 25, 26, 27, 28, 33, 34, 35 T.41N., R.54E., M.D.M.: Sections 19, 20, 29, 30, 32 (see map under #61394)**
9. Use will be from **January 1 to December 31** of each year.
10. Use was permitted from **January 1 to December 31** of each year.
11. Description of proposed works **drilled and cased well; submersible pump and motor, storage tanks.**
12. Estimated cost of works **\$150,000.00**
13. Estimated time required to construct works **two years**
14. Estimated time required to complete the application of water to beneficial use **right years**
15. Remarks: **This point of diversion will serve exploration drilling and dust suppressin needs over a large area in the following estimated annual amounts: domestic: 5 AF; dust control: 80 AF; exploration support: 60 AF.**

s/ **William A. Nisbet**
By **William A. Nisbet, Agent**
421 Court Street
Elko, NV 89801

Compared aem/sam dl/ gkl

Protested _____

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit to change the point of diversion and place of use of a portion of the waters of an underground source as heretofore granted under Permit 61394 is issued subject to the terms and conditions imposed in said Permit 61394 and with the understanding that no other rights on the source will be affected by the change proposed herein. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the Proof of Completion of Work is filed. The State retains the right to regulate the use of the water herein granted at any and all times.

The issuance of this permit will allow the permittee to pump water from a well for the Starvation Well Exploration Area Mine Project. The State Engineer retains the right to regulate pumping from the project and/or any other groundwater withdrawals herein authorized to protect the public interest and existing rights. All of the water from the site not used for consumptive mining and milling purposes shall be injected and returned to the groundwater source in Independence Valley (Hydrographic Groundwater Basin 3-36) upon issuance and in accordance with the Division of Environmental Protection's UIC Permit. It is understood that this right must allow for a reasonable lowering of the static water level.

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The total combined duty of water under Permits 52771 and 54192, Certificate 14302; 54878, 61393, 61394, 62306, 62307, 62428, 62429, 63951 and 72112 shall not exceed 2500 acre-feet annually.

The total combined duty of water under Permits 61393, 61394 and 72112 shall not exceed 450.0 acre-feet annually.

The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the groundwater basin.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

Upon completion of the injection or infiltration program plan, prepare and submit a map to the State Engineer illustrating the location of the sites and delivery system.

Monthly records shall be kept of the following information: (1) the instantaneous pumping rate and the volume of water pumped from each source, (2) the volume of water consumptively used for mining and milling purposes, (3) the volume of water discharged for disposal and (4) the water level in each injection well and the change from the last measurement. These records shall be submitted to the State Engineer on a quarterly basis within 15 days after the end of each calendar quarter.

(CONTINUED ON PAGE 3)

The amount of water to be changed shall be limited to the amount which can be applied to beneficial use, and not to exceed 0.2 cubic feet per second, **but not to exceed 144.8 acre-feet annually.**

Work must be prosecuted with reasonable diligence and be completed on or before:

April 23, 2006

Proof of completion of work shall be filed on or before:

May 23, 2006

Water must be placed to beneficial use on or before:

April 23, 2007

Proof of the application of water to beneficial use shall be filed on or before:

May 23, 2007

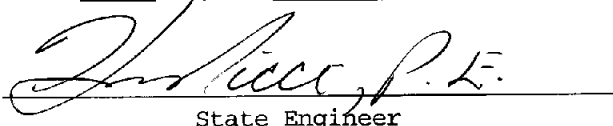
Map in support of proof of beneficial use shall be filed on or before:

N/A

IN TESTIMONY WHEREOF, I, HUGH RICCI, P.E.,

State Engineer of Nevada, have hereunto set
my hand and the seal of my office,

this **12th** day of **January**, A.D. **2006**


State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____ **N/A** _____

Certificate No. _____ Issued _____